

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

TAMIKA LATASHA SPIVEY,

Plaintiff,

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CAROLYN W. COLVIN,

Defendant.

CASE NO. 3:15-CV-05880-DWC

ORDER ON PLAINTIFF'S COMPLAINT

Plaintiff filed this action, pursuant to 42 U.S.C § 405(g), seeking judicial review of the denial of Plaintiff's applications for Disability Insurance Benefits ("DIB") and Supplemental Security Income ("SSI") benefits. The parties have consented to proceed before a United States Magistrate Judge. *See* 28 U.S.C. § 636(c), Fed. R. Civ. P. 73 and Local Magistrate Judge Rule MJR 13. *See also* Consent to Proceed before a United States Magistrate Judge, Dkt. 6.

After reviewing the record, the Court concludes the Administrative Law Judge (“ALJ”) erred by failing to properly evaluate the opinions of two of Plaintiff’s treating physicians. The ALJ also erred in evaluating Plaintiff’s credibility, evaluating the lay witness testimony, assessing the limitations arising out of Plaintiff’s medically determinable mental health

1 impairments, and in determining Plaintiff's residual functional capacity. Therefore, this matter is
2 reversed and remanded pursuant to sentence four of 42 U.S.C. § 405(g) for further proceedings.

3 **PROCEDURAL& FACTUAL HISTORY**

4 On October 7, 2011, Plaintiff filed applications for DIB and SSI. *See* Dkt. 9,
5 Administrative Record ("AR") 337-349. Plaintiff alleges she became disabled on June 22, 2011,
6 due to degenerative disc disease. *See* AR 375. Plaintiff's applications were denied upon initial
7 administrative review and on reconsideration. *See* AR 126, 135, 170, 182. A hearing was held
8 before an ALJ on June 4, 2013, at which Plaintiff, represented by counsel, appeared and testified.
9 *See* AR 82.

10 On July 18, 2013, the ALJ found Plaintiff was not disabled within the meaning of
11 Sections 216(i), 223(d), and 1614(a)(3)(A) of the Social Security Act. AR 205. Plaintiff's request
12 for review of the ALJ's decision was granted by the Appeals Council on May 19, 2015, which
13 reversed the ALJ's decision and remanded the case for additional findings. AR 211-13. Among
14 other things, the Appeals Council instructed the ALJ to: further evaluate Plaintiff's claimed
15 mental impairments; obtain medical expert testimony on the severity of Plaintiff's impairments;
16 and further develop the record.

17 On March 23, 2015, the ALJ again found Plaintiff to be not disabled within the meaning
18 of Sections 216(i), 223(d), and 1614(a)(3)(A) of the Social Security Act. AR 41. Plaintiff's
19 request for review of the ALJ's decision was denied by the Appeals Council on November 3,
20 2015, making that decision the final decision of the Commissioner of Social Security (the
21 "Commissioner"). *See* AR 1, 20 C.F.R. § 404.981, § 416.1481. On July 14, 2015, Plaintiff filed a
22 complaint in this Court seeking judicial review of the Commissioner's final decision.

1 Plaintiff argues the denial of benefits should be reversed and remanded for further
 2 proceedings, because the ALJ failed to: 1) properly evaluate the medical opinions of two of
 3 Plaintiff's treating physicians; 2) justify a change in Plaintiff's residual functional capacity; 3)
 4 discuss what weight, if any, he gave to lay witness statements; 4) properly evaluate Plaintiff's
 5 subjective symptom testimony; 5) properly evaluate Plaintiff's mental impairments and discuss
 6 all limitations, regardless of severity, at subsequent steps in the sequential evaluation. Dkt. 15,
 7 pp. 1-2.

8 **STANDARD OF REVIEW**

9 Under 42 U.S.C. § 405(g), this Court may set aside the Commissioner's denial of social
 10 security benefits only if the ALJ's findings are based on legal error or not supported by
 11 substantial evidence in the record as a whole. *Bayliss v. Barnhart*, 427 F.3d 1211, 1214 n.1 (9th
 12 Cir. 2005) (*citing Tidwell v. Apfel*, 161 F.3d 599, 601 (9th Cir. 1999)). "Substantial evidence" is
 13 more than a scintilla, less than a preponderance, and is such "relevant evidence as a reasonable
 14 mind might accept as adequate to support a conclusion." *Magallanes v. Bowen*, 881 F.2d 747,
 15 750 (9th Cir. 1989) (*quoting Davis v. Heckler*, 868 F.2d 323, 325-26 (9th Cir. 1989)).

16 **DISCUSSION**

17 I. **Whether the ALJ Properly Evaluated the Medical Opinion Evidence.**

18 **A. Standard**

19 The ALJ must provide "clear and convincing" reasons for rejecting the uncontradicted
 20 opinion of either a treating or examining physician or psychologist. *Lester v. Chater*, 81 F.3d
 21 821, 830 (9th Cir. 1996) (*citing Embrey v. Bowen*, 849 F.2d 418, 422 (9th Cir. 1988); *Pitzer v.*
 22 *Sullivan*, 908 F.2d 502, 506 (9th Cir. 1990)). However, "[i]n order to discount the opinion of an
 23 examining physician in favor of the opinion of a nonexamining medical advisor, the ALJ must
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1 set forth specific, *legitimate* reasons that are supported by substantial evidence in the record.”
 2 *Nguyen v. Chater*, 100 F.3d 1462, 1466 (9th Cir. 1996) (*citing Lester*, 81 F.3d at 831). The ALJ
 3 can accomplish this by “setting out a detailed and thorough summary of the facts and conflicting
 4 clinical evidence, stating his interpretation thereof, and making findings.” *Reddick v. Chater*, 157
 5 F.3d 715, 725 (9th Cir. 1998) (*citing Magallanes*, 881 F.2d at 751). In addition, the ALJ must
 6 explain why the ALJ’s own interpretations, rather than those of the doctors, are correct. *Reddick*,
 7 157 F.3d at 725 (*citing Embrey*, 849 F.2d at 421-22). The ALJ “may not reject ‘significant
 8 probative evidence’ without explanation.” *Flores v. Shalala*, 49 F.3d 562, 570-71 (9th Cir. 1995)
 9 (*quoting Vincent v. Heckler*, 739 F.2d 1393, 1395 (9th Cir. 1984) (*quoting Cotter v. Harris*, 642
 10 F.2d 700, 706-07 (3d Cir. 1981))). The “ALJ’s written decision must state reasons for
 11 disregarding [such] evidence.” *Flores*, 49 F.3d at 571.

12 **B. Application of Standard**

13 The ALJ found Plaintiff had the residual functional capacity to perform light work as
 14 defined in 20 C.F.R. § 404.1567(b) and 416.967(b), except she can climb, balance, stoop, kneel
 15 and crouch only occasionally, and can never crawl. AR 33. Plaintiff argues the ALJ erred by
 16 failing to include the more restrictive limitations opined to by Plaintiff’s treating physicians, Dr.
 17 Moris Senegor, M.D. and Dr. Elvis Tanson, D.O.

18 *1. Moris Senegor, M.D.*

19 Dr. Senegor was Plaintiff’s treating physician from August 29, 2011 to August 1, 2012.
 20 AR 593. During the course of Plaintiff’s treatment, Dr. Senegor diagnosed Plaintiff with
 21 advanced degenerative disc disease at L5-S1, and prescribed physical therapy and six epidural
 22 steroid injections, which were ineffective. AR 526, 529, 531, 537. In light of Plaintiff’s
 23 unresponsiveness to these treatment measures, Dr. Senegor recommended Plaintiff consider a
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1 L5-S1 fusion surgery, which she declined. AR 526, 560, 563. On August 9, 2012, Dr. Senegor
2 completed a medical source statement in which he opined, as a result of Plaintiff's degenerative
3 disc disease and chronic pain, Plaintiff will be unable to perform even sedentary work. *See* AR
4 593-97. Specifically, Dr. Senegor opined Plaintiff could lift and carry no more than 10 lbs on an
5 occasional basis, and would be unable to sit, stand, or walk for even one hour in an eight hour
6 work day. AR 594-95. Dr. Senegor also opined Plaintiff would have less than full use of her
7 hands and feet, and would never be able to climb, stoop, crouch, kneel, crawl, push or pull. AR
8 595-96.

9 The ALJ gave Dr. Senegor's opinion little weight for the following two reasons:

10 [1] [T]reatment records do not document signs, symptoms, clinical laboratory
11 findings, or objective observations supportive of the limitations he assesses, [2]
12 nor are such limitations supported by his conservative treatment of the claimant,
13 with visits most recently scheduled only twice a year (SSR 96-6P).

14 AR 39 (numbering added). Plaintiff argues these were not specific and legitimate reasons,
15 supported by substantial evidence, for giving Dr. Senegor's opinion less weight. The Court
16 agrees.

17 First, the ALJ's finding Dr. Senegor's opinion is unsupported by his treatment records is,
18 itself, a bare, conclusory statement offered without support in the record. In order to reject the
19 opinion of a treating physician, an ALJ must do more than state his or her conclusions; he or she
20 must set forth their own interpretations and explain why they, rather than the doctors' are correct.
21 *Reddick*, 157 F.3d at 725 (*citing Embrey*, 849 F.2d at 421-22). *See Garrison v. Colvin*, 759 F.3d
22 995, 1012 (9th Cir. 2014). The ALJ's failure to articulate his reasoning with sufficient specificity
23 was error. *See, e.g., McAllister v. Sullivan*, 888 F.2d 599, 602-03 (9th Cir. 1989) (finding similar
24 reasoning for rejecting a treating physician's opinion was "broad and vague, failing to specify
why the ALJ felt the treating physician's opinion was flawed"). Moreover, this finding is not

1 supported by substantial evidence in the record. Dr. Senegor repeatedly cites Plaintiff's lumbar
2 degenerative disc disease as the basis for his opined limitations. *See* AR 593-97. Importantly, as
3 the ALJ discusses in an earlier portion of the written decision, this diagnosis is supported by an
4 MRI which revealed focal degenerative disc disease at the L5-S1 with desiccation, collapse,
5 some bulging, and modic changes, as well as bilateral foraminal stenosis. AR 34, 534 (noting Dr.
6 Senegor reviewed Plaintiff's MRI results and discussed them with Plaintiff). This is precisely the
7 sort of objective evidence the ALJ claims Dr. Senegor's treatment notes lacked.

8 Second, the ALJ's finding Dr. Senegor's opined limitations were inconsistent with his
9 recent conservative treatment of Plaintiff's impairments is not a specific, legitimate reason,
10 supported by substantial evidence, for discounting the opinion. Though Dr. Senegor had been
11 seeing Plaintiff for pain and medication management only twice per year at the time of the ALJ's
12 opinion, Dr. Senegor had previously recommended Plaintiff "seriously consider" a two-stage
13 fusion surgery of her L5-S1 vertebrae. AR 526, 560, 563. Stage one of the surgery "would be
14 anterior lumbar interbody fusion . . . at the L5-S1 segment with an Orthofix cage and
15 demineralized bone matrix" and stage two would be a "posterior fusion with pedicle screws
16 and Auto/Allograft." AR 526. Plaintiff indicated she was reluctant to pursue surgery due to its
17 significance and her concern it would render her unable to care for her two small children. AR
18 96-97, 573. As other treatment modalities, such as epidural steroid injections, had previously
19 been unsuccessful, Dr. Senegor returned Plaintiff to chronic pain and medication management.
20 *See* AR 526, 534, 563.

21 While a failure to pursue treatment can be a basis for finding a claimant to be not
22 disabled, Social Security Administration regulations provide that failing to pursue a specific
23 treatment due to its high risk is a good reason for a claimant to not pursue treatment. 20 C.F.R.
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1 §§ 404.1530; 416.930. *Cf. Orn v. Astrue*, 495 F.3d 625, 638-39 (9th Cir. 2007) (holding it was
 2 error to reject a claimant's subjective symptom testimony because the claimant's inability to pay
 3 was a "good" reason for failing to seek treatment), *and Jones v. Heckler*, 702 F.2d 950, 953-55
 4 (11th Cir. 1983) (citing *Cassiday v. Schweiker*, 663 F.2d 745, 750 (7th Cir. 1981); *Schena v.*
 5 *Secretary of Health and Human Services*, 635 F.2d 15, 19 (1st Cir. 1980); *Hepner v. Mathews*,
 6 574 F.2d 359, 362 (9th Cir. 1978)) (discussing a claimant's reasons for declining a myelogram
 7 and spinal surgery). Though the ALJ cited Plaintiff's reasons for declining the surgery earlier in
 8 the written decision, the ALJ fails to acknowledge Dr. Senegor's relatively conservative
 9 treatment was a direct result of Plaintiff's unwillingness to pursue a substantially more invasive
 10 surgical procedure. *See AR 37, 39.* Because the ALJ failed to consider Plaintiff's refusal to
 11 undergo a potentially high-risk surgical procedure as the predicate for Dr. Senegor's
 12 conservative treatment, the ALJ's second reason for discounting Dr. Senegor's opinion was
 13 unsupported by substantial evidence.¹

14 Because the ALJ failed to offer specific and legitimate reasons, supported by substantial
 15 evidence, for discounting Dr. Senegor's opinion, the ALJ erred. Further, Dr. Senegor opined to
 16 physical limitations substantially more restrictive than those included in the ALJ's residual
 17 functional capacity finding. For example, while the ALJ found Plaintiff was capable of
 18 performing light work except she can only occasionally climb, balance, stoop, kneel, and crouch,
 19 Dr. Senegor opined Plaintiff would be restricted to less than sedentary work, and would be
 20 categorically unable to climb, stoop, kneel, and crouch. *Compare AR 33 with 594-97.* Thus, this

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 22 ¹ This is not to say the ALJ is required to find the proposed surgery was a sufficiently
 23 "high risk" procedure to trigger the exception contained in 20 C.F.R. §§ 404.1530 and 416.930.
 24 Rather, the ALJ's error stems from his failure to consider this possibility at all in the written
 decision.

1 error is not “inconsequential to the ultimate nondisability determination,” and requires reversal.
 2 *Molina v. Astrue*, 674 F.3d 1104, 1115 (9th Cir. 2012).

3 2. *Elvis Tanson, D.O.*

4 Dr. Tanson treated Plaintiff from September 11, 2014 to November 11, 2014 for lower
 5 back pain due to spinal stenosis. AR 813. On December 10, 2014, Dr. Tanson completed a
 6 medical source statement in which he opined, due to Plaintiff’s degenerative disc disease and
 7 spinal stenosis, Plaintiff would be unable to lift any weights on even an occasional basis, would
 8 be able to sit for no more than four hours in an eight hour work day, and could stand or walk for
 9 no more than two hours in an eight hour workday. *See* AR 814-15. Dr. Tanson also opined
 10 Plaintiff would have less than full use of her hands and feet, and would never be able to climb,
 11 balance, stoop, crouch, kneel, crawl, push or pull. AR 595-96.

12 The ALJ summarized Dr. Tanson’s opinion in the written decision. AR 39. However,
 13 while the ALJ discussed the content of Dr. Tanson’s opinion, the ALJ offered no indication as to
 14 what, if any, weight he ascribed to the opinion. AR 39. Notably, Dr. Tanson’s opined limitations
 15 are substantially more restrictive than those included in the ALJ’s residual functional capacity
 16 finding, but the ALJ provided no explanation as to why he rejected Dr. Tanson’s opined
 17 limitations. An ALJ’s failure to discuss a treating physician’s opinion, or otherwise explain the
 18 weight given to the opinion, is harmful error. *See Hill v. Astrue*, 698 F.3d 1153, 1160 (9th Cir.
 19 2012). When the ALJ ignores significant and probative evidence in the record favorable to a
 20 claimant’s position, the ALJ “thereby provide[s] an incomplete residual functional capacity
 21 determination.” *Id.* at 1161. *See also Vincent*, 739 F.2d at 1394-95 (quoting *Cotter v. Harris*, 642
 22 F.2d 700, 706 (3d Cir. 1981)). While the ALJ may not necessarily be bound by Dr. Tanson’s
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1 opinion, the ALJ must present at least a specific and legitimate reason for giving the opinion less
 2 than full weight. *See Hill*, 698 F.3d at 1160.

3 Defendant argues the ALJ did, in fact, discuss the weight he gave to Dr. Tanson's
 4 opinion, as the ALJ discussed the content of Dr. Senegor and Dr. Tanson's opinions in
 5 succession. Only after discussing both opinions did the ALJ provide his reasons for discounting
 6 Dr. Senegor's opinion. Thus, Defendant argues the ALJ meant to refer to both Dr. Senegor and
 7 Dr. Tanson. However, the ALJ's decision unambiguously only discusses the weight given to Dr.
 8 Senegor's opinion. AR 39 ("the medical source statement of Dr. Senegor indicating limitation to
 9 significantly less than the full range of sedentary work is given lesser weight.") To do as
 10 Defendant suggests and assume the ALJ's reasons for rejecting Dr. Senegor also apply to Dr.
 11 Tanson would be an impermissible *post hoc* rationalization this Court is not authorized to
 12 perform. *See Bray v. Comm'r of Soc. Sec. Admin.*, 554 F.3d 1219, 1225-26 (9th Cir. 2009)
 13 ("meaningful review of an administrative decision requires access to the facts and reasons
 14 supporting that decision.").

15 Defendant, citing *Molina v. Astrue*, also urges the Court to find any error in the ALJ's
 16 failure to discuss the weight given to Dr. Tanson's opinion was harmless, because "a check-box
 17 opinion with so little clinical support would not have changed the ultimate nondisability
 18 determination." Dkt. 16, p. 4 (citing *Molina*, 674 F.3d at 1122). *Molina*, however, is
 19 distinguishable on this point. The section of *Molina* cited by Defendant pertains to harmless error
 20 in failing to discuss duplicative *lay witnesss* testimony, rather than medical opinion evidence.
 21 *Molina*, 674 F.3d at 1122. Further, unlike lay witness testimony, Social Security regulations and
 22 rulings require an ALJ to consider *all* medical opinions in the record, regardless of source. 20
 23 C.F.R. §§ 404.1520; 404.1527(b) & (c). Finally, though Dr. Tanson's opinion was rendered on a
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1 check-box form, this fact, alone, does not mean Dr. Tanson's opinion must be given little weight.
2 *Compare Murray v. Heckler*, 722 F.2d 499, 501 (9th Cir. 1983) with *Garrison v. Colvin*, 759
3 F.3d 995, 1013 (9th Cir. 2014). In any event, Defendant's proposed harmless error analysis is, at
4 bottom, nothing more than a second invitation for the court to engage in impermissible *post hoc*
5 rationalization, an invitation the Court must decline. *See Bray*, 554 F.3d at 1225-26.

6 Because the ALJ failed to explain what weight, if any, he gave to Dr. Tanson's opinion,
7 the ALJ committed harmful error.

8 II. Additional Errors

9 Plaintiff also alleges several other errors in the ALJ's decision. Specifically, the Plaintiff
10 alleges the ALJ erred in assessing her credibility, erred in evaluating lay witness testimony, erred
11 in failing to account for all impairments, regardless of severity, in the subsequent steps of the
12 sequential evaluation, and erred in calculating Plaintiff's residual functional capacity and
13 conducting an analysis at Step Four of the sequential evaluation. The ALJ will necessarily have
14 to reconsider these issues due to the harmful errors in evaluating the medical opinion evidence
15 discussed above, therefore, the Court need not address these allegations in great detail.
16 Nonetheless, the errors raised by the Plaintiff warrant brief discussion here with the intent of
17 avoiding any unnecessary delay in the final disposition of this matter.

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1 **A. Plaintiff's Subjective Symptom Testimony²**

2 The ALJ failed to offer specific, clear and convincing reasons for discounting Plaintiff's
 3 testimony concerning her subjective symptoms. *See Smolen v. Chater*, 80 F.3d 1273, 1284 (9th
 4 Cir. 1996). Though the ALJ cites to Plaintiff's activities of daily living, the ALJ failed to provide
 5 specific findings concerning how those activities were inconsistent with Plaintiff's stated
 6 physical limitations, or how those activities could be transferable to a work setting. *Burrell v.*
 7 *Colvin*, 775 F.3d 1133, 1138 (9th Cir. 2014), *Orn*, 495 F.3d at 639 (9th Cir. 2007). The ALJ also
 8 found Plaintiff's subjective symptom testimony was inconsistent with the objective medical
 9 evidence. However, while the ALJ described the medical evidence in the record, he does not
 10 explain how Plaintiff's testimony is *inconsistent* with the objective medical evidence. *See* AR
 11 33-37. Further, a claimant's subjective testimony cannot be rejected "on the sole ground that it is
 12 not fully corroborated by objective medical evidence[.]" *Rollins v. Massanari*, 261 F.3d 853, 857
 13 (9th Cir. 2001). *See also* 20 C.F.R. §§ 404.1529(c)(2); 416.929(c)(2). As a result, the ALJ failed
 14 to offer specific, clear, and convincing reasons, supported by substantial evidence, for
 15 discrediting Plaintiff's subjective symptom testimony.

16 **B. Lay Witness Testimony**

17 The ALJ discussed the lay witness statements from five of Plaintiff's family and friends;
 18 however, the ALJ did not explain what, if any weight, he gave to the lay witness statements. AR
 19 36. In the Ninth Circuit, lay witness testimony is competent evidence and "cannot be disregarded

21 ² The Social Security Administration recently rescinded Social Security Ruling ("SSR")
 22 96-7P, "Policy Interpretation Ruling Titles II and XVI Evaluation of Symptoms in Disability
 23 Claims: Assessing the Credibility of an Individual's Statements." SSR 16-3P, *available at* 2016
 24 WL 1119029, at *1. The Social Security Administration noted the use of the term "credibility"
 was not consistent with the Administration's regulations, and further clarified "subjective
 symptom evaluation is not an examination of the individual's character." *Id.*

1 without comment.” *Bruce v. Astrue*, 557 F.3d 1113, 1115 (9th Cir. 2009) (quoting *Nguyen v.*
2 *Chater*, 100 F.3d 1462, 1467 (9th Cir. 1996)). *See also* 20 C.F.R. § 404.1413(d), SSR 06-03p,
3 2006 WL 2329939 at *2. An ALJ may discredit a lay witness’ testimony with specific reasons
4 “germane to each witness.” *Bruce*, 557 F.3d at 1115; *Turner v. Comm’r of Soc. Sec.*, 613 F.3d
5 1217, 1224 (9th Cir. 2010). The ALJ’s failure to offer any reasons for disregarding the lay
6 witness testimony was error.

7 Defendant, citing *Molina v. Astrue*, argues any error in evaluating the lay witness
8 testimony was harmless, as the lay witness testimony is cumulative of Plaintiff's subjective
9 symptom testimony, which the ALJ also discounted. *Molina*, 674 F.3d at 1122. However, as
10 discussed above, the ALJ did not properly discount Plaintiff's subjective symptom testimony.³
11 Thus, the ALJ's failure to discuss the lay witness statements was harmful error.

C. Severity of Medically Determinable Impairments

13 Plaintiff argues the ALJ erred by failing to consider Plaintiff's mental impairments to be
14 severe at Step Two of the sequential evaluation. The ALJ relied heavily on the testimony of Dr.
15 Tracy Gordy, M.D., who opined Plaintiff had the medically determinable impairments of
16 adjustment disorder, general anxiety disorder, and borderline intellectual functioning, but found
17 these impairments were not severe. AR 32, 54-55. However, Dr. Gordy initially opined
18 Plaintiff's mental impairments would lead to moderate limitations in concentration, persistence,
19 and pace. AR 53-55. Upon being informed by the ALJ that a finding of "moderate" limitations in

³ Defendant also argues the ALJ validly discounted the same lay witness statements in the earlier decision, thus it would be a waste of administrative resources to remand the case for the ALJ to repeat this “obviously germane reasoning.” Dkt. 16, p. 5. However, the ALJ’s discussion of the lay witness testimony in the decision under review is a word-for-word copy of the ALJ’s discussion included in the first decision. *Compare* AR 36 with AR 202. Notably, the ALJ failed to explain what weight, if any, he gave to the lay witness statements in *either* decision.

1 concentration, persistence, and pace would necessarily mean Plaintiff's mental health
2 impairments would qualify as severe under Social Security Administration regulations, Dr.
3 Gordy opined Plaintiff's medically determinable mental health impairments would cause no
4 more than mild limitations in Plaintiff's concentration, persistence, and pace. AR 55 ("You
5 know, Your Honor, I've been testifying since 2000. This is the first time I ever heard that when
6 you say moderate that it's severe. So I'd back up and say that her concentration and pace would
7 [sic] mild then because there's no evidence here that this lady has a severe psychiatric
8 impairment"). *See* 20 C.F.R. §§ 404.1520a(d)(1); 416.920a(d)(1); 20 C.F.R. Part 404, Subpt. P,
9 App. 1, at 12.00(C). The ALJ fails to discuss this change in testimony in the written decision.

10 The shift in Dr. Gordy's testimony after clarification from the ALJ raises the possibility
11 his opinion does not rise to the level of substantial evidence. *Cf. Tonapetyan v. Halter*, 242 F.3d
12 1144, 1150-51 (9th Cir. 2001) (noting an ALJ was not free to ignore a medical expert's
13 equivocal testimony about the lack of a complete record upon which to assess a claimant's
14 mental impairments). As this case must be remanded for further proceedings due to the errors
15 discussed above, the ALJ should also take the opportunity to ensure Dr. Gordy's testimony
16 concerning the severity of Plaintiff's medically determinable mental impairments is reliable and
17 consistent with Social Security Administration regulations. *Cf. Claiborne ex rel., L.D. v. Astrue*,
18 2012 WL 205907, at *17-*18 (N.D. Ill. 2012).

19 **D. Calculation of Plaintiff's Residual Functional Capacity**

20 Plaintiff argues the ALJ's errors in evaluating the medical opinion evidence, Plaintiff's
21 subjective symptom testimony, the lay witness evidence, and the limitations arising from
22 Plaintiff's medically determinable impairments resulted in an erroneous residual functional
23 capacity assessment. In assessing a claimant's residual functional capacity, an ALJ is required to
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1 consider “all of the relevant medical and other evidence.” 20 C.F.R. §§ 404.1545(a)(3),
2 416.945(a)(3). An ALJ’s failure to properly evaluate all of the evidence may result in a flawed
3 residual functional capacity finding. *See* SSR 96-8-p, 1996 WL 374184 at *2. Due to the ALJ’s
4 other errors, discussed above, the ALJ will necessarily have to re-evaluate Plaintiff’s residual
5 functional capacity on remand, and proceed on to Steps Four and Five, as appropriate.

6 **CONCLUSION**

7 Based on the above stated reasons and the relevant record, the undersigned finds the ALJ
8 erred by failing to: properly evaluate the opinions of Plaintiff’s treating physicians; properly
9 assess Plaintiff’s credibility; properly evaluate the lay witness testimony; properly assess the
10 limitations arising from Plaintiff’s medically determinable impairments; and properly evaluate
11 Plaintiff’s residual functional capacity. Therefore, the court orders this matter be reversed and
12 remanded pursuant to sentence four of 42 U.S.C. § 405(g). On remand, the ALJ should
13 reevaluate and reweigh all of the medical opinion evidence, reevaluate Plaintiff’s severe
14 impairments at Step Two of the sequential evaluation, reevaluate Plaintiff’s credibility,
15 reevaluate the lay witness testimony, reevaluate Plaintiff’s residual functional capacity, and
16 proceed on to Step Four and/or Step Five of the sequential evaluation, as appropriate. On
17 remand, the ALJ should also develop the record as needed. Judgment should be for Plaintiff and
18 the case should be closed.

19 Dated this 16th day of June, 2016.

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22 David W. Christel
23 United States Magistrate Judge
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